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Sei Erfolgreich in Deutschland

by Brad Anderson, International Trade Specialist, U.S. & Foreign Commercial Service



The “Big Three”

Germany, France and the United Kingdom are considered the three economic titans of the EU. Naturally, most American high technology companies set their path into the EU with one or more of these markets situated at the top of the list.

With a gross domestic product of \$1.8 trillion in 2001, a well-educated work force and a productive economy, Germany has one of the world’s highest levels of technological development. It is no surprise, then, that Germany has the highest number of Internet users in Europe. With 43.6 million online in May 2003, almost a third of the German population is online every day.

With so many Internet users, Germany has the largest information and communications technology (ICT) market within western Europe and is the third largest in the world, following the US and Japan. The ICT market is valued at EUR 136.1 billion in 2002 and is expected to increase to EUR 136.5 billion in 2003.

By way of location and language, Germany is a great springboard to enter smaller surrounding markets such as Switzerland and Austria. A strong local presence in Germany will give you a strategic advantage within the market and possibly good connections to neighboring EU countries.

The demand for software and related computing services is relatively strong. According to the European Information Technology Observatory (EITO), more firms are buying more packaged applications.

Areas of major growth are:

- customer relationship management (CRM)
- supply chain management (SCM)
- IT security
- e-commerce (to speed up sales processes and/or generate rapid cost savings, such as logistics, sales tracking and e-procurement)

All of these technologies are in demand as companies seek to establish and augment their online relationships, both B2B and B2C, which are growing.

Oregon's NeoSoft Corp. shares experience on exporting to Germany

NeoSoft Corporation (<http://www.neosoftware.com>), known for such software as QuikMenu, NeoBook and NeoPaint, is headquartered in Bend, Oregon. It is a small software company that has successfully exported to more than 18 countries.

I asked T.W. Martin, director of marketing and sales at NeoSoft, to give some advice based on his company's experiences in exporting to Germany:

"We have found the greatest success in licensing distributors to translate, localize, publish and distribute locally. It is the best solution to the pricing issue. This avoids overseas shipping and import entry, and reduces the value-added tax to the lowest possible level. This approach is especially beneficial for small companies that cannot afford to have an office or overseas distribution subsidiary."

Martin continued, "We also suggest that marketing costs can be significantly reduced by contacting computer and software magazines in Germany and Europe to have the company's programs reviewed. Providing the magazine reviewers with free copies of the programs and some follow-up advertising, if affordable, is also beneficial. We have had good success with this approach throughout the world."

Export success in Germany

Here are a few things to aid entrance into the German market:

Quality & efficiency. German companies, known for valuing efficiency and quality work, are predominantly interested in building relationships with US companies that show long-term commitment to the German market, and that can verify the high quality and success of their products.

According to Volker Wirsdorf, commercial specialist at the American Consulate in Frankfurt, "Companies prefer to buy only the best, and due to economic concerns are asking more questions and taking longer to decide before purchasing products. Companies should be prepared to answer numbers-, statistics-, and price-oriented questions and give references."

Technology first. It has been my experience that the one recurring theme echoed throughout discussions on doing business in Germany is the priority on understanding the technology of your product. You may find that the software manual will be useless when pitching your product to an Italian partner; however, in Germany, a keen technical understanding of the product and how it works is important.

Commitment to the relationship. Success requires a long-term commitment by US firms. One of the most common perceptions about doing business with US firms is that they are often seen as putting domestic sales first. Treat your German channel partners and customers on the same level that you do your domestic channels. A happy channel is a successful channel.

Challenges of exporting to Germany

There are also a few challenges to exporting to Germany:

Competition. Added Wirsdorf, “The German software market is highly competitive, with the strongest competitors being German, French and UK companies. However, US software companies have an advantage due to their experience in the world’s leading software market, and because US IT firms have a reputation of efficiently meeting clients’ needs and having a faster time-to-market cycle.”

Economy. Recent economic setbacks in Germany have made German companies more cautious, and many have cut IT budgets. However, Wirsdorf maintains that IT spending continues as German firms seek to keep up with their European rivals.

Standards and compatibility. Companies should confirm that their software is compatible with Germany’s standards and technology. Many policies of Western European countries are made by the individual governments, with the exception of telecommunications, the Internet and e-commerce policies decided at the EU level. A great resource for German and EU-wide standards is the following link:
<http://www.buyusa.gov/europeanunion/58.html>.

German business culture

Here are a few hints to building rapport with your German counterparts when meeting them for the first time:

Set appointments and be on-time. Make an appointment whenever possible. Germans don’t like serious discussions at “drop-in” appointments. Fastidious scheduling with confirmation of appointments in advance will serve you well in building rapport.

Punctuality is the best way to get off on the right foot. Go to a German train station and you will see what I mean. They are never late! Be on time for everything. Arriving even a few minutes late could start your business relationship off badly.

Dress for success. Be dressed for the part. In Germany and throughout the EU, they have not adopted our appreciation for the business casual look. It is safest to dress conservatively in suits, preferably darker colors. I recently returned from CommunicAsia / Broadcast Asia, a high tech trade-show in Singapore. Walking by the Germany pavilion, I saw dark suits across the board in each of the exhibitor booths. Like the US, the tech sector is a little looser on attire, but better to err on the conservative side.

Trade fairs in Germany

One of the most important ways to enter and market in Germany to gain sales is through trade fairs, which is one of the oldest ways to sell any product or service within the country. Trade fairs are events where business is actively done and is not a purely public relations setting. Not only will German vendors be present, but so will other vendors from around the world. So be ready when at a trade fair – bring your order books and be prepared to sell.

CeBit in Hannover – it's huge!

CeBit Hannover http://www.cebit.de/homepage_e?x=1 is Germany's and the EU's largest ICT trade show. Because of its size, smaller companies can get lost in the shuffle. It is the central show in Germany for ICT products and services.

With so many prospective clients and competitors under one roof, not only is a trade fair an opportunity to sell, but it is also an opportunity to do some informative market research. You can learn firsthand what is and is not currently in the market, what is needed and what the competition is doing.

For more information about trade fairs in Germany visit the following website:
AUMA, the Association of the German Trade Fair Industry
<http://www.auma-fairs.com>

Resources

US Commercial Service Germany

<http://www.buyusa.gov/germany/en>

Gives detailed information on doing business in Germany, provides market research, lists services for finding German business partners and features trade events.

Invest in Germany

<http://www.invest-in-germany.de/en/>

This website focuses on today's Germany and introduces companies to economic advantages and business opportunities in Germany.

American Chamber of Commerce in Germany (AmCham)

<http://www.amcham.de/>

The goals of the AmCham include the promotion of German-American trade relationships and of Germany as an investment location.

Federal Statistical Office Germany
http://www.destatis.de/e_home.htm

Statistical data, official reference figures, the latest economic indicators and data on cyclical trends.

Bundesverband Informationswirtschaft, Telekommunikation und neue Medien
(BITKOM)
(Federation of Information Management, Telecommunications and new Media)
<http://www.bitkom.org/en/Default.aspx>

European Information Technology Observatory (EITO)
<http://www.eito.com/>

Brad A. Anderson (brad.anderson@mail.doc.gov) has been an International Trade Specialist with the US & Foreign Commercial Service (part of the US Department of Commerce) www.buyusa.gov/oregon for ten years. In this capacity he works with Oregon and Southwest Washington high-technology companies to develop international markets. Specifically, he helps them design market-entry strategies; find and evaluate distributors, VARs, or agents; evaluate product or service delivery methods; and “internationalize” their companies. Brad served in temporary assignments as a Commercial Attaché at American Embassies in London, Brussels, Luxembourg, Auckland, Sydney and The Hague. He is an active participant in the US & FCS Information & Communication Technology team charged with planning and implementing methods to assist small- to medium-sized US high-technology companies. The main portal for export assistance is www.export.gov.

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